

Financial Report

City Park Conservancy

June 30, 2023

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors,
City Park Conservancy,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of City Park Conservancy (the “Conservancy”) is a nonprofit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City Park Conservancy as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Conservancy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Reports on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying supplementary information in Schedule 1 is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule 1 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule 1 is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2024, on our consideration of the Conservancy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Conservancy's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
February 27, 2024.

STATEMENT OF FINANCIAL POSITION

City Park Conservancy
New Orleans, Louisiana

June 30, 2023

ASSETS

	<u>2023</u>
Current	
Cash	\$ 904,422
Investments cash	15,234,111
Accounts receivable	518,604
Unconditional promises to give	2,181,340
Investments	2,824,811
Prepaid expenses	37,855
Inventory	<u>284,288</u>
Total current assets	21,985,431
Long-Term	
Investments	<u>167,949</u>
Total assets	<u><u>\$22,153,380</u></u>

LIABILITIES

Current	
Accounts payable	\$ 820,227
Deferred revenue	1,449,615
Accrued time off	<u>203,268</u>
Total current liabilities	2,473,110

NET ASSETS

Without donor restrictions:	
Designated	167,949
Undesignated	<u>14,331,580</u>
Total net assets without donor restrictions	14,499,529
With donor restrictions	<u>5,180,741</u>
Total net assets	<u>19,680,270</u>
Total liabilities and net assets	<u><u>\$22,153,380</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**City Park Conservancy**
New Orleans, Louisiana

For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2023 Totals
Support and Revenues			
Contributions	\$ 911,842	\$ 3,838,888	\$ 4,750,730
Contributions received in the acquisition of Friends of City Park	1,328,995	1,619,397	2,948,392
Special events (net of direct benefit to donor costs of \$1,599,654)	2,378,372	-	2,378,372
Membership dues	221,754	-	221,754
Investment income	187,553	-	187,553
Program revenue	7,229,706	-	7,229,706
Transfers from New Orleans City Park Improvement Association	6,346,630	-	6,346,630
Other income	370,231	-	370,231
Net assets released from restrictions: Satisfaction of purpose restrictions through payments	<u>277,544</u>	<u>(277,544)</u>	<u>-</u>
Total support and revenues	<u>19,252,627</u>	<u>5,180,741</u>	<u>24,433,368</u>
Expenses			
Program services	10,255,063	-	10,255,063
General and administrative	1,382,463	-	1,382,463
Membership development	39,808	-	39,808
Fundraising expenses	<u>459,384</u>	<u>-</u>	<u>459,384</u>
Total expenses	<u>12,136,718</u>	<u>-</u>	<u>12,136,718</u>
Net transfer of certain assets and liabilities from New Orleans City Park Improvement Association, per the CEA	<u>7,383,620</u>	<u>-</u>	<u>7,383,620</u>
Increase in Net Assets	14,499,529	5,180,741	19,680,270
Net Assets			
Beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
End of the year	<u>\$ 14,499,529</u>	<u>\$ 5,180,741</u>	<u>\$ 19,680,270</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

City Park Conservancy
New Orleans, Louisiana

For the year ended June 30, 2023

	Program Services	Supporting Services			Total Supporting Services	Totals 2023
		General and Administrative	Membership Development	Fundraising		
Expenses						
Administrative	\$ 593,398	\$ 286,657	\$ 6,009	\$ 14,674	\$ 307,340	\$ 900,738
Advertising	26,464	-	1,533	6,533	8,066	34,530
Benefits	756,629	128,239	3,584	37,730	169,553	926,182
Contract labor	259,655	40,677	-	-	40,677	300,332
Contract services	1,188,541	66,448	-	119,325	185,773	1,374,314
Cost of goods sold	1,164,481	2,717	-	177	2,894	1,167,375
Fuel	38,225	565	-	-	565	38,790
Insurance	328,424	92,653	-	-	92,653	421,077
Marketing	33,760	29,496	406	29,591	59,493	93,253
Professional services	4,825	37,445	-	-	37,445	42,270
Repairs and maintenance	917,104	13,586	-	-	13,586	930,690
Rental	11,828	-	-	-	-	11,828
Salary	4,223,420	638,061	17,920	219,726	875,707	5,099,127
Sales tax	83,760	-	-	-	-	83,760
Special events	-	-	-	1,599,654	1,599,654	1,599,654
Supplies	556,974	39,917	10,356	17,463	67,736	624,710
Training and education	26,784	4,242	-	14,165	18,407	45,191
Uniforms	40,791	1,760	-	-	1,760	42,551
	<u>10,255,063</u>	<u>1,382,463</u>	<u>39,808</u>	<u>2,059,038</u>	<u>3,481,309</u>	<u>13,736,372</u>
Less allocation of direct benefit to donor costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,599,654)</u>	<u>(1,599,654)</u>	<u>(1,599,654)</u>
Totals	<u><u>\$10,255,063</u></u>	<u><u>\$1,382,463</u></u>	<u><u>\$39,808</u></u>	<u><u>\$ 459,384</u></u>	<u><u>\$1,881,655</u></u>	<u><u>\$12,136,718</u></u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**City Park Conservancy**
New Orleans, Louisiana

For the year ended June 30, 2023

Cash Flows From Operating Activities

Increase in net assets	\$ 19,680,270
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Realized loss on investments	18,643
Unrealized loss on investments	61,498
Net transfer of certain assets and liabilities from New Orleans City Park Improvement Association, per the CEA	(7,383,620)
Contributed assets received in the acquisition of Friends of City Park	(628,681)
Increase in operating assets:	
Unconditional promises to give	(984,721)
Accounts receivable	(518,604)
Prepaid expenses	(36,618)
Inventory	112,154
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	1,023,495
Deferred revenue	1,449,615
Contributions restricted for endowment purposes	<u>(1,000,000)</u>
Total adjustments	<u>(7,886,839)</u>
Net cash provided by operating activities	<u>11,793,431</u>

Cash Flows From Investing Activities

Proceeds from sale of investments and maturities of certificates of deposit	242,924
Purchases of investments	<u>(2,885,000)</u>
Net cash used in investing activities	<u>(2,642,076)</u>

Cash Flows From Financing Activities

Net transfer of certain assets and liabilities from New Orleans City Park Improvement Association, per the CEA	<u>6,987,178</u>
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Net Increase In Cash 16,138,533

Cash

Beginning of the year -

End of the year \$16,138,533

Supplemental Schedule of Investing and Financing Activities:

Fair value of assets acquired from Friends of City Park:

Cash \$ 2,487,660

Investments 262,876

Unconditional promises to give 196,619

Other 1,237

Total assets acquired \$ 2,948,392

Inventory transferred from

New Orleans City Park Improvement Association \$ 396,442

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**City Park Conservancy**
New Orleans, Louisiana

June 30, 2023 and 2022

Note 1 - NATURE OF ACTIVITIES

City Park Conservancy (the “Conservancy”) is a nonprofit organization formed to manage the daily operations and raise funds for the benefit and improvement of New Orleans City Park (“City Park”). The Conservancy is supported through membership dues, donor contributions, and special fundraising events.

Pursuant to Act 569 of the 1989 Regular Session of the Legislature of Louisiana, New Orleans City Park Improvement Association (CPIA) is authorized to contract with a non-profit corporation for the operation, care, control and management of City Park and its facilities. Effective September 1, 2022, CPIA entered into a fifteen-year Cooperative Endeavor Agreement (CEA) with the Conservancy, a Louisiana 501c(3) non-profit corporation, which authorizes the Conservancy to manage and operate all day-to-day operations of City Park. The CEA may be extended for an additional 15 year period upon written consent of both parties. The CEA may be terminated by CPIA upon 90 days’ notice with or without cause. All employees of CPIA were terminated effective October 31, 2022 and were hired by the Conservancy on November 1, 2022 with the same titles and responsibilities.

The Conservancy does not receive a management fee for its operation, care and management of City Park on behalf of CPIA. Rather, the Conservancy directly derives revenue from its operation of City Park as well as philanthropic sponsorships, events, memberships, fundraising, and grants. CPIA also transfers tax revenue and existing lease revenue to the Conservancy for its use in operating CPIA.

Consistent with the CEA, title to all CPIA’s moveable or immovable assets shall always be in the name of CPIA.

As part of the implementation of this agreement, CPIA transferred certain assets and liabilities related to operations and management of City Park facilities to the Conservancy netting \$8,594,937.

Note 1 - NATURE OF ACTIVITIES (Continued)

The following are the main items in the CEA with financial reporting impacts.

The Conservancy in order to achieve and continue the public purpose of the CEA and its management obligations set forth herein, shall retain its own account Earned Revenue and Other Revenue for the operation, maintenance, and development of City Park. Such Earned Revenue and Other Revenue shall be administered by the Conservancy and deposited in an account to be used for the operation of City Park facilities (The Conservancy Operating Account). For the avoidance of doubt, it is the understanding of the parties that in no event shall Earned Revenue or Other Revenue be considered public funds.

It is the intent of both parties that “Earned Revenue” (defined as admission fees, special event fees, special event rental fees, contractual income, food and merchandise revenue, and other fees collected attributable to City Park), “Other Revenue” (defined as qualifying philanthropic sponsorships, grants specific to the Conservancy), and “NOCPIA revenue” (defined as tax revenue, intergovernmental grants, or CPIA real estate revenue) will be used for the benefit of all of City Park, in furtherance of the missions of both CPIA and the Conservancy and will cover all necessary expenses related to operation, maintenance, upgrade and development of City Park.

Necessary expenses of the Conservancy relating to operation, maintenance, upgrade and development of City Park shall be paid by CPIA through transfer of NOCPIA revenue, including tax revenue, intergovernmental grants, and the Commission real estate lease revenue and other NOCIA revenue due to CPIA. All existing NOCPIA revenue at the time of the CEA shall be transferred over to the Conservancy operating bank account, and all future NOCPIA revenue shall be transferred to the Conservancy operating bank account in accordance with the annual budget.

The Conservancy shall prepare an annual Conservancy operating budget, a CPIA operating budget, and a CPIA capital budget related to the revenue and expenses relating to the operation, maintenance, and development of City Park. These budgets are approved by both CPIA and the Conservancy boards.

All tax revenues, intergovernmental grants, the Conservancy real estate lease revenue and any other Park revenue due to the Conservancy for the operation, maintenance, upgrade and development of City Park shall be administered by the Conservancy on behalf of and in the name of the Conservancy and deposited in an account administered by the Conservancy on behalf of and in the name of the Conservancy. For the avoidance of doubt, it is the understanding of the parties that funds maintained in these accounts are considered public funds.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

b. Financial Statement Presentation

The Conservancy classifies its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net special events revenues, contributions, other revenues, and expenditures of funds for the general operations of the Conservancy.

Net Assets With Donor Restrictions - Unconditional promises to give and contributions specifically stipulated by the donor to be used for a certain purpose or to benefit a specific accounting period or contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the Conservancy.

c. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

d. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Conservancy considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

e. Allowance for Doubtful Accounts Receivable

Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2023, management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

As of June 30, 2023, accounts receivable was \$518,604.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Unconditional Promises to Give

Contributions are recognized when a donor makes a promise to give to the Conservancy that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, 2023, there were no outstanding conditional promises to give.

g. Investments

Investments include certificates of deposit and U.S. government obligations which are stated at fair market value. The Conservancy records donated securities at their fair market value at the date of donation. Realized and unrealized gains and losses are recorded in investment income in the Statement of Activities.

Pooled accounts managed by the Greater New Orleans Foundation are reported at fair market value, including any pro rata gains and losses.

h. Inventory

Inventory consists primarily of food and beverage supplies and gift shop merchandise and are stated at the lower of cost using the first-in, first-out (FIFO) cost method or net realizable value.

i. Revenue Recognition

Revenues from Exchange Transactions: The Conservancy recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, “*Revenues from Contracts with Customers*”, as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Conservancy records the following exchange transaction revenue in its Statements of Activities for the year ended June 30, 2023:

Membership Revenue

Membership dues are billed and payable in the applicable membership period. This obligation is satisfied over time during the annual membership period. Therefore, membership dues revenue is recognized on an annual basis.

Program Revenue

Program revenues are the fees received for services and use of City Park’s facilities. Program revenues recognized when services are provided, and facilities are used by customers.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Revenue Recognition (Continued)

Special Events

The Conservancy conducts fundraisers in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefit received by the participant of the event, the exchange component, and a portion represents a contribution to the Conservancy. The fair value of meals, entertainment, and benefits provided by the event is measured at the actual cost to the Conservancy. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs, which ultimately benefit the donor rather than the Conservancy, are recorded as fundraising expenses in the Statement of Activities. The performance obligation is the event. FASB ASU No. 2014-09 requires allocation of the transaction price to the performance obligation. Accordingly, the Conservancy separately presents in Note 10 the exchange and contribution components of the gross proceeds from special events.

Special event fees are recorded as revenue in the year to which they relate. Special event fees collected in advance for the following year are recorded as deferred support.

j. Contributions

Contributions received are recorded with or without restrictions, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net asset without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

k. Contributed Services and Materials

A substantial number of unpaid volunteers have made significant contributions of their time and expertise in the development of the Conservancy's programs, principally in membership development and fundraising activities. Materials for special fundraising events have also been donated. The Conservancy occupies office space in a building located within City Park, and such other facilities as are reasonably necessary for the Conservancy to carry out its obligations under the CEA for the operations, care and management of City Park and its facilities. The amounts of donated services or materials is not material.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Advertising Costs

Advertising costs are charged to operations in the year incurred. For the year ended June 30, 2023, advertising costs totaled \$34,530.

m. Presentation of Sales Taxes

The State of Louisiana and Orleans parish impose a sales tax on certain City Park sales to non-exempt customers. The Conservancy collects sales taxes from customers and remits the amounts to the State and Orleans parish. The Conservancy's accounting policy is to include the tax collected and remitted to the State and Orleans Parish in revenue and cost of sales.

n. Methods Used for Allocations of Expenses

The costs of providing program services and other activities are summarized in the Statement of Functional Expenses. Most expenses can be directly allocated to programs or supporting functions. The financial statements also report certain categories of expenses that are attributable to both programs and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, contract services, and insurance. Salaries and payroll taxes are allocated on the basis of estimated time and effort. Parkwide contract services are allocated between programs and supporting functions based on usage of each contract. Insurance is allocated evenly among program and supporting functions across the Park.

o. Tax Matters

The Conservancy is exempt from Federal income tax under Section 501 (c)(3) of the Internal Revenue Code and from Louisiana income tax. The Conservancy qualifies as an organization that is not a private foundation under section 509(a)(2) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Conservancy and recognize a tax liability (or asset) if the Conservancy has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other taxing authorities. Management has analyzed the tax positions taken by the Conservancy, and has concluded that as of June 30, 2023, there were no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Conservancy is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through February 27, 2024, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

The Conservancy maintains money market accounts and investments in U.S. Government obligations in investment accounts with brokerage firms, where they are insured by the Securities Investor Protection Corporation for balances up to \$500,000 (with a limit of \$250,000 for cash). As of June 30, 2023, cash in excess of the insured limits was approximately \$322,000.

The Conservancy maintains its cash accounts and investments in certificates of deposit in various financial institutions where the accounts are insured by Federal Deposit Insurance Corporation up to \$250,000 per bank. As of June 30, 2023, the Conservancy had approximately \$918,000 in excess of the insured limits.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

Promises of donors to make contributions to the Conservancy are included in the financial statements as unconditional promises to give after discounting projected future cash flows to the present value using a discount rate of approximately 4.2% as of June 30, 2023, which was established using the published daily treasury rate.

Unconditional promises to give as of June 30, 2023 consist of the following:

Unconditional promises to give	\$2,185,117
Less:	
Unamortized discount	(3,777)
Allowance for uncollectible pledges	<u>-</u>
Net unconditional promises to give	<u><u>\$2,181,340</u></u>
Amount due in:	
Less than one year	\$2,094,158
One to five years	<u>90,959</u>
Total	<u><u>\$2,185,117</u></u>

Note 5 - INVESTMENTS

Investments as of June 30, 2023 are as follows:

	Market Value	Cost	
Certificates of deposit	\$ 249,543	\$ 250,000	
U.S. Government obligations	2,575,268	2,635,000	
Greater New Orleans Foundation Pooled Investment Fund	167,949	169,258	
Totals	\$2,992,760	\$3,054,258	
	Market Value	Cost or Assigned Amount	Excess of Cost Over Market
Balances, June 30, 2023	\$2,992,760	\$3,054,258	\$ (61,498)
Balances, June 30, 2022	\$ -	\$ -	-
Increase in unrealized depreciation			(61,498)
Realized loss			(18,643)
Interest and dividend income			267,694
Total investment income			\$ 187,553

Note 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Conservancy has the ability to access.

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

- *Certificates of Deposit*: The Conservancy uses the market approach for valuing certificates of deposit which are within Level 1 of the fair value hierarchy.
- *U.S. Government Obligations*: Valued at the closing price reported on the active market on which the obligations are traded.
- *Investment Pools*: Valued using the NAV as reported by the custodians. The NAV is determined based on the fair value of the underlying investments. The custodians of these portfolios use independent pricing services, where available, to value the securities included in the portfolios. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodians will attempt to obtain a price quote from a secondary pricing source, which may include third party brokers, investment advisors, and the principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security. The investment pools are included in Level 2 of the fair value hierarchy.

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Conservancy believes its valuation method is appropriate and consistent with other market participants,

the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy the Conservancy's investments as of June 30, 2023:

Description	Total Assets Measured at Fair Value	Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Certificates of deposit	\$ 249,543	\$ 249,543	\$ -	\$ -
U.S. Government obligations	2,575,268	2,575,268	-	-
Pooled investment funds	<u>167,949</u>	<u>-</u>	<u>167,949</u>	<u>-</u>
	<u><u>\$2,992,760</u></u>	<u><u>\$2,824,811</u></u>	<u><u>\$ 167,949</u></u>	<u><u>\$ -</u></u>

The following provides a summary of changes in fair value of the Conservancy's Level 3 assets for the year ended June 30, 2023:

	Pooled Investments Accounts
June 30, 2022	\$169,258
Investment income, net	17,689
Distributions	<u>(18,998)</u>
Level 3 assets, June 30, 2023	<u><u>\$167,949</u></u>

As of June 30, 2023, there were no assets measured at fair value on a non-recurring basis.

Note 7 - DONOR AND BOARD DESIGNATED ENDOWMENT

The Endowment. The Conservancy has a general endowment consisting of both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including board-designated funds, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law. The Conservancy is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time or purpose restricted until the Board of Directors appropriates such amounts for expenditure. The Board of Directors has interpreted SPMIFA as requiring the preservation of the fair value of an original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Conservancy classifies the following amounts as restricted net assets in the accompanying consolidated financial statements:

- the original value of gifts donated to the endowment;
- the original value of subsequent gifts to the endowment; and
- accumulations to the endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with SPMIFA, the Conservancy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and the preservation of the fund;
- the purposes of the Conservancy and the donor-restricted endowment fund;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation of investments;
- other resources of the Conservancy;
- the investment policies of the Conservancy.

Note 7 - DONOR AND BOARD DESIGNATED ENDOWMENT (Continued)

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Donor-restricted endowment funds	\$ -	\$1,000,000	\$1,000,000
Board-designated funds	<u>167,949</u>	<u>-</u>	<u>167,949</u>
Endowment net assets, Total funds	<u>\$167,949</u>	<u>\$1,000,000</u>	<u>\$1,167,949</u>

Changes in endowment net assets for the year ending June 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	169,258	1,000,000	1,169,258
Investment income, net	17,689	-	17,689
Distributions	<u>(18,998)</u>	<u>-</u>	<u>(18,998)</u>
Endowment net assets, end of year	<u>\$167,949</u>	<u>\$1,000,000</u>	<u>\$1,167,949</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Conservancy to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2023.

Return Objectives and Risk Parameters. Funds from earnings can be used to augment the annual budget. Any request to withdraw earnings not included in the annual budget must be approved by the Finance Committee. Use of the corpus of any Board designated or quasi-endowed funds requires a 2/3 vote of the Board and will follow Uniform Prudent Management of Institutional Funds Act regulations. CPC will honor all City Park donor intent in establishing or modifying any endowed funds.

Note 7 - DONOR AND BOARD DESIGNATED ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives. The Conservancy plans to satisfy its long-term rate of return objectives and will rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conservancy, will target a diversified asset allocation that places a balanced emphasis on both fixed and equity investments to achieve its long-term return objectives within prudent risk constraints. Currently, Endowment funds are maintained in an interest bearing all cash account and investment account.

Spending Policy and How Investment Objectives Relate to the Spending Policy. The target distribution rate for the CPC Endowment Funds is 4%. The amount projected to be spent in each fiscal year will be calculated, for each fund, as of June 30 of the prior fiscal year by multiplying the distribution rate (4%) by the lesser of (1) a rolling 36-month average market value of the fund or (2) the market value of the fund as of June 30.

Note 8 - GOVERNING BOARD DESIGNATIONS

Governing board designations consist of the following:

Endowment purposes	<u>\$167,949</u>
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Note 9 - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions as of June 30, 2023, which are restricted for specific purposes, are as follows:

Subject to expenditures for a specific purpose:	
Botanical Garden Entrance	\$ 66,626
Butterfly Sanctuary	18,264
Carousel Restoration Fund	150,000
City Park Endowment	982,441
Couterie Forest Grant Fund	21,062
Diamond 1	25,000
Disaster Relief	53
Dog Park	139,855
Garden Study Club of New Orleans	10,000
Great Lawn Project	17,630
Hat Luncheon	254,871
July 3rd Celebration	17,954
Lady Bug Rollercoaster	6,000
Lelong Avenue Restoration	21,028
Litter Abatement	14,625
Malcolm Hedge Fund	45,005
Master Plan	1,002,500
Mini Golf	72,261
Oak Tree Circle	59,525
Athletic Fields Improvement Fund	491,930
Savoie Soccer	6,300
Storyland	577,231
Sundial Fund	9,000
Sustainability	24,593
Tails No Black Tie	20,074
Tennis	8,796
Trail App	5,522
Tree Fund	38,883
Volunteers	17,655
Wetlands	11,000
Wisner Tract	5,757
Women's Garden Fund	6,192
Other funds <\$5,000	<u>33,108</u>
Total subject to expenditures for a specific purpose	<u>4,180,741</u>
Subject to CPC spending policy and appropriations:	
Funds held in perpetuity	<u>1,000,000</u>
Total	<u><u>\$5,180,741</u></u>

Note 10 - SPECIAL EVENT REVENUE

Gross receipts from special fundraising events recorded by the Conservancy consist of exchange transaction revenue and contribution revenue. As a result of adopting ASU No. 2014-09, the Conservancy is required to separately present the components of this revenue for the year ended June 30, 2023.

Contributions	\$ 291,227
Special event revenue	<u>3,686,799</u>
Special events - gross	3,978,026
Less: cost of direct donor benefit	<u>(1,599,654)</u>
Special events - net	<u><u>\$2,378,372</u></u>

Note 11 - TRANSACTIONS WITH NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

The Conservancy operates and manages City Park for the benefit of CPIA as evidenced by the CEA (see Note 1). The CEA provides that all Earned Revenue and Other Revenue for the operation, maintenance and development of City Park shall be deposited and administered in an account maintained and administered by the Conservancy. All revenues of CPIA that are for the operation, maintenance, upgrade and development of City Park shall be deposited in an account on behalf of and in the name of CPIA and administered and maintained by the Conservancy on behalf of and in the name of CPIA. Specific grants or donations received by the Conservancy related to capital improvements will be transferred to CPIA.

As of June 30, 2023, the Conservancy has incurred expenses on behalf of CPIA in amounts exceeding the reimbursements received from CPIA for those expenses. For the year ended June 30, 2023, the amount transferred to the Conservancy from CPIA totaled \$6,346,630. The Conservancy has provided support to CPIA to fund certain capital projects, education programs and operational support. For the year ended June 30, 2023, those amounts totaled \$32,117.

Note 12 - EMPLOYEE BENEFIT PLANS - DEFERRED COMPENSATION PLAN

The Park offers its employees a deferred compensation plan created in accordance with Internal Revenue Section 457. The plan, available to all Conservancy employees, and permits them to defer a portion of their salary until future years. Full time employees with a minimum of one year of full time service are eligible for a contribution by the Park. The contribution for full time employees is \$2 for each \$1 contributed by the employee on the first 3% of base compensation. The deferred compensation is not available to the employee or their beneficiary until termination, retirement, death, or an unforeseeable emergency.

**Note 12 - EMPLOYEE BENEFIT PLANS - DEFERRED COMPENSATION PLAN
(Continued)**

The plan is administered by the State of Louisiana (the “State”). Participants’ rights under the plan are equal to those of the general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. The plan contributed \$104,411 and participants contributed \$127,614 to the deferred compensation plan for the years ended June 30, 2023.

Note 13 - AVAILABILITY OF FINANCIAL ASSETS

The Conservancy is substantially supported by special events, membership dues and contributions with and without restrictions. Because a donor’s restrictions requires resources to be used in a particular manner or in a future period, the Conservancy must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As a part of the Conservancy’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Conservancy has established guidelines for making decisions related to managing short-term cash reserves in a prudent manner.

The following reflects the Conservancy’s financial assets as of June 30, 2023, reduced by amounts not available for general use because of donor-imposed restrictions.

Cash	\$16,138,533
Unconditional promises to give	2,181,340
Investments	<u>2,824,811</u>
 Total financial assets as of June 30, 2023	 21,144,684
 Less amounts unavailable for general expenditures within one year, due to: Donor imposed restrictions:	
Restricted by donors with purpose restrictions	 <u>(5,180,741)</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u><u>\$15,963,943</u></u>

Note 14 - ACQUISITION

An Agreement and Plan of Merger dated September 29, 2022 was approved and adopted by Friends of City Park and City Park Conservancy in accordance with the requirements of LSA R.S. 12:243. The Agreement and Plan of Merger was approved by the Board of Directors of City Park Conservancy on September 27, 2022 and by the Board of Directors of the Organization at its August 10, 2022 meeting. The Agreement and Plan of Merger was properly filed with the Louisiana Secretary of State. City Park Conservancy will continue the Conservancy's activities of philanthropic sponsorships, events, memberships, fundraising, and grants to ensure the ongoing care, betterment, and improvement of New Orleans City Park. As of May 2, 2023, all assets have been transferred to City Park Conservancy. No consideration was transferred to Friends of City Park. This transaction is accounted for as an acquisition in accordance with FASB ASC 805.

The assets acquired and recorded in the Statement of Activities as an inherent contribution consist of the following:

Assets:	
Cash	\$2,487,660
Investments	262,876
Unconditional promises to give:	
Unconditional promises to give	204,236
Unamortized discount	(7,617)
Other assets	<u>1,237</u>
Total assets	<u><u>\$2,948,392</u></u>
 Net Assets:	
Without donor restrictions	\$1,328,995
With donor restrictions	<u>1,619,397</u>
Total net assets	<u><u>\$2,948,392</u></u>

SUPPLEMENTAL INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

City Park Conservancy

New Orleans, Louisiana

For the year ended June 30, 2023

Agency Head Name: Cara Lambright, Chief Executive Officer

Purpose

Salary	\$229,114
Benefits - insurance	3,847
Benefits - retirement	10,879
Benefits - other	588
Car allowance	3,323
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	<u>2,875</u>
	<u><u>\$250,626</u></u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To Board of Directors,
City Park Conservancy,
New Orleans. Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City Park Conservancy (a nonprofit organization) (the “Conservancy”), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Conservancy’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Conservancy’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Conservancy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Conservancy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Conservancy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
February 27, 2024.

SCHEDULE OF FINDINGS AND RESPONSES

City Park Conservancy
New Orleans Louisiana

For the year ended June 30, 2023

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the financial statements: Unmodified

Internal control over financial reporting:

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b) Federal Awards

The Conservancy did not expend more than \$750,000 in Federal awards during the year ended June 30, 2023.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings material to the financial statements reported during the audit for the year ended June 30, 2023.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended June 30, 2023.

Section III - Federal Award Findings and Questioned Costs

Not Applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

City Park Conservancy
New Orleans Louisiana

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

The Conservancy did not have any activity during the period ended June 30, 2022. Accordingly, there were no prior period findings noted.

Compliance and Other Matters

The Conservancy did not have any activity during the period ended June 30, 2022. Accordingly, there were no prior period findings noted.

Section II - Internal Control and Compliance Material to Federal Awards

The Conservancy did not have any activity during the period ended June 30, 2022. Accordingly, there were no prior period findings noted.

Section III - Management Letter

The Conservancy did not have any activity during the period ended June 30, 2022. Accordingly, a management letter was not issued during the period ended June 30, 2022.

MANAGEMENT'S CORRECTIVE ACTION PLAN

City Park Conservancy
New Orleans Louisiana

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no internal control over financial reporting findings material to the financial statements reported during the audit for the year ended June 30, 2023.

Compliance and Other Matters

There were no compliance findings material to the financial statements reported during the audit for the year ended June 30, 2023.

Section II - Internal Control and Compliance Material to Federal Awards

The Conservancy did not expend more than \$750,000 in Federal awards during the year ended June 30, 2023.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2023.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
City Park Conservancy,
New Orleans, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2022 through June 30, 2023. City Park Conservancy’s (the “Conservancy”) management is responsible for those C/C areas identified in the SAUPs.

The Conservancy has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the Conservancy to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Conservancy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
February 27, 2024.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

City Park Conservancy
New Orleans, Louisiana

For the year ended June 30, 2023

The required procedures and our findings are as follows:

1. Procedures Performed on the Conservancy's Written Policies and Procedures:

A. Obtain and inspect the Conservancy's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Conservancy's operations:

i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions.

Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1. Procedures Performed on the Conservancy's Written Policies and Procedures: (Continued)

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the written policy for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- viii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42: 1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Not applicable for not-for-profit entities.

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable for not-for-profit entities.

1. Procedures Performed on the Conservancy's Written Policies and Procedures: (Continued)

- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity policy and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xii. Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Not applicable for not-for-profit entities.

2. Procedures Performed on the Conservancy's Board:

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Performance: The Conservancy's bylaws require that the board meets no less than quarterly. We obtained and read minutes from 10 board meetings during the year ended June 30, 2023. The frequency of and quorum representation of those meetings was considered to be appropriate.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Performance: The Conservancy is reporting on the not-for-profit accounting model. We inspected meeting minutes and confirmed that the minutes referenced or included budget-to-actual comparisons relating to public funds.

Exceptions: There were no exceptions noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable for not-for-profit entities.

2. Procedures Performed on the Conservancy's Board: (Continued)

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read all board meeting minutes during the fiscal year.

Exceptions: There were no exceptions noted.

3. Procedures Performed on the Conservancy's Bank Reconciliations:

- A. Obtain a listing of the Conservancy's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the Conservancy's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete. Noted that the Conservancy's main operating account is the sole bank account.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Performance: Obtained monthly bank reconciliation for March 2023 for the main operating bank account. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Inspected the Conservancy's documentation for the bank reconciliations for the main operating account and verified that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Exceptions: There were no exceptions noted.

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Requested documentation from management reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Conservancy's Collections (Excluding Electronic Funds Transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. Select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- i. Employees responsible for cash collections do not share cash drawers/registers;

Performance: Inspected policy manuals, inquired of management, and observed that employees do not share a cash drawer.

Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash is not responsible for making deposits.

Exceptions: There were no exceptions noted.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit;

Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash do not reconcile cash collections to the general ledger.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Conservancy's Collections (Excluding Electronic Funds Transfers): (Continued)

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Performance: Requested a copy of the insurance policy for theft covering all employees who have access to cash.

Exceptions: The Conservancy does not have an insurance policy for theft covering all employees who have access to cash.

D. Randomly select 2 deposit dates for each of the Conservancy's 5 bank accounts selected for procedures #3A "Procedures Performed on the Conservancy's Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed the receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Conservancy's Collections (Excluding Electronic Funds Transfers): (Continued)

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection or drawer).

Performance: Observe whether the deposits tested were made within one business day of receipt. For both deposits selected, we noted that the deposits were not made within one business day. However, the Conservancy departmental daily collections of cash are secured in a deposit bag locked in the department's safe with access only through a finance employee's combination, and a key held by the Conservancy police department. All departments cash deposit bags are collected weekly and brought by the Conservancy police to the vault in the Conservancy building. Weekly, an armored vehicle, contracted by the Conservancy, picks up the collected deposit cash bags and brings the bags to the Conservancy's bank for deposit. The cost to perform these procedures on a daily basis would not be feasible for the Conservancy would outweigh any benefit to the Conservancy. Given the cost and time involved for cash collection, the Conservancy has found that performing the collections weekly strikes the appropriate balance.

Exceptions: There were no exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the Conservancy's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- B. For each location selected under #5A, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Conservancy has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

5. Procedures Performed on the Conservancy's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
Performance: Obtained and read the written policy for purchasing. Observed at least 2 employees are involved.
Exceptions: There were no exceptions noted.
 - ii. At least 2 employees are involved in processing and approving payments to vendors;
Performance: Obtained and read the written policy for purchasing. Observed at least 2 employees are involved.
Exceptions: There were no exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for reviewing changes to vendor files;
Performance: Obtained and read the written policy for purchasing. Observed employee responsible for payments cannot add/modify vendor files.
Exceptions: There were no exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments;
Performance: Obtained a listing of employees involved with signing and mailing checks and verified they are not involved in the processing of payments.
Exceptions: There were no exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
Performance: Obtained a listing of employees involved with signing checks and verified they are the only ones authorized to approve electronic disbursements.
Exceptions: There were no exceptions noted.
- C. For each location selected under #5A, obtain the Conservancy's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Select 5 disbursements for each location, obtain supporting documentation for each transaction and:
Performance: Obtained the Conservancy's non-payroll disbursement transaction population and management's representation in a separate letter that the population is complete. Selected 5 disbursements from the sole location that processes payments for testing.
Exceptions: There were no exceptions noted.

**5. Procedures Performed on the Conservancy's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):
(Continued)**

- i. Observe whether the disbursement, whether by paper or electronic means matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Conservancy; and

Performance: Observed the 5 disbursements matched the related original invoice/billing statements.

Exceptions: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the Conservancy's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Conservancy's policy, and (b) approved by the required number of authorized signers per the Conservancy's policy.

Performance: Observed the 5 disbursements included evidence of approval by an authorized person and approval by the required number of authorized signers.

Exceptions: There were no exceptions noted.

6. Procedures Performed on the Conservancy's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintain possession of the cards and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

6. Procedures Performed on the Conservancy's Credit Cards, Debit Cards, Fuel Cards, P-Cards: (Continued)

- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Observed that there were no finance charges and/or late fees assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under #6B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. Written documentation of the individuals participating in meals (for meal charges only).

Performance: Observed that selected transactions for meal charges were supported by documentation of the individuals participating in the meals.

Exceptions: There were no exceptions noted.

7. Procedures Performed on the Conservancy's Travel and Travel-Related Expense Reimbursements:

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Performance: Observed that reimbursements using a per diem agrees to rates established by the State of Louisiana or the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Performance: Observed that reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii);

Performance: Observed each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy (procedures #1h).

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

8. Procedures Performed on the Conservancy's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and selected 5 contracts for testing. Obtained management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Performance: Observed that the contracts selected did not require the bids to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Performance: Observed that the contracts selected did not require Board approval.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with the contract terms; and

Performance: Observed that the one contract selected for testing was amended and noted the amendment was made in compliance with contract terms.

Exceptions: There were no exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Randomly selected one payment for each of the 5 contracts and obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

9. Procedures Performed on the Conservancy's Payroll and Personnel:

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained a listing of employees employed during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Performance: Randomly selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees/officials;

Performance: Observed that supervisors approved the attendance and leave of the selected employees/officials.

Exceptions: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the Conservancy's cumulative leave records;

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Performance: Agreed the pay rates to the authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

9. Procedures Performed on the Conservancy's Payroll and Personnel: (Continued)

- C. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations, agree the hours to the employees'/officials' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files and agree the termination payment to the Conservancy's policy.

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management and received management's representation in a separate letter that the listing is complete. The hours used in management's termination payment calculations were agreed to cumulative leave records, pay rates were agreed to authorized pay rates in the personnel files, and we agreed the termination payment to entity policy.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement, contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employer and employee portions of payroll amounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

10. Procedures Performed on the Conservancy's Ethics:

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Not applicable for not-for-profit entities.

- ii. Observe whether the Conservancy maintains documentation which demonstrates that each employee and official were notified of any changes to the Conservancy's ethics policy during the fiscal period, as applicable.

Not applicable for not-for-profit entities.

- iii. Inquire and/or observe whether the Conservancy has appointed an ethics designee as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

11. Procedures Performed on the Conservancy's Debt Service:

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each debt instruments issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable for not-for-profit entities.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable for not-for-profit entities.

12. Procedures Performed on the Conservancy's Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Conservancy reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Conservancy is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period. Obtained management's representation that there were no misappropriations for fiscal year 2023.

Exceptions: There were no exceptions noted.

- B. Observe the Conservancy has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

**13. Procedures Performed on the Conservancy's Information Technology Disaster Recovery/
Business Continuity:**

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

**13. Procedures Performed on the Conservancy's Information Technology Disaster Recovery/
Business Continuity: (Continued)**

- i. Obtain and inspect the Conservancy's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted

Performance: We performed the procedures and discussed the results with management.

- ii. Obtain and inspect the Conservancy's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: We performed the procedures and discussed the results with management.

- iii. Obtain a listing of the Conservancy's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedures and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedures and discussed the results with management.

14. Procedures Performed on the Conservancy's Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable for not-for-profit entities.

- B. Observe that Conservancy has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on Conservancy's premises if Conservancy does not have a website).

Not applicable for not-for-profit entities.

14. Procedures Performed on the Conservancy's Sexual Harassment: (Continued)

- C. Obtain the Conservancy's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the Conservancy who have completed the training requirements;
Not applicable for not-for-profit entities.
 - ii. Number of sexual harassment complaints received by the Conservancy;
Not applicable for not-for-profit entities.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
Not applicable for not-for-profit entities.
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Not applicable for not-for-profit entities.
 - v. Amount of time it took to resolve each complaint.
Not applicable for not-for-profit entities.

Management's Response to Exceptions

- 4.C. The Conservancy has procured an insurance policy for theft covering all employees who have access to cash.